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(17)

IN THE

Supreme Court of the United States

OCTOBER TERM, 1940.

314 U.S. 679

No. [redacted] 90

JOGGER MANUFACTURING CORPORATION,
Petitioner-Plaintiff,

vs.

WENDELL H. ROQUEMORE, doing business as MULTIGRAPH SALES AGENCY,
Respondent-Defendant.

PETITION FOR WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

SIDNEY NEUMAN,
Counsel for Petitioner.

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Respondent-Defendant.

PETITION FOR WRIT OF CERTIORARI.

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, JOGGER MANUFACTURING CORPORATION, prays that a writ of certiorari issue to review the decree of the United States Circuit Court of Appeals for the Seventh Circuit entered March 6, 1941 (R. 449).

A certified transcript of the record in the case, including the proceedings in the Circuit Court of Appeals, is furnished herewith in accordance with Rule 38 of the rules of this Court.

Summary Statement of the Matter Involved.

This is a suit brought by petitioner against respondent for infringement of two patents issued to Russell W. Borrowdale and now owned by petitioner. Patent No. 1,694,638 (R. 229) relates to a jogging attachment for printing presses, and is hereinafter referred to as the "first patent." Patent No. 1,863,465 (R. 237) relates to an automatic jogger, and is hereinafter referred to as the "second patent." Validity of the patents in suit was not contested in either the Trial or Appellate Courts. The Answer of respondent (R. 14) raised only the issue of infringement and the defense of license by reason of the fact that the joggers sold by him were manufactured by the Addressograph-Multigraph Corporation, the successor to the American Multigraph Company, to whom the petitioner's predecessor company had granted a fully paid license under the patents in suit. The granting clause of the license thus pleaded by way of defense reads as follows (R. 191-2):

> "1. Jogger hereby grants unto Multigraph the exclusive license to make, use and sell joggers known as models 112 and 1121 and embodying the invention of said patent or any re-issue thereof, and of any patent that may be issued on said application or any division, renewal or reissue thereof, and of any patents that may hereafter be owned by Jogger on any improvements thereof, or substitutions therefor, throughout the United States and foreign countries, and to the full end of the term of each of said patents, provided, however, that Multigraph shall have no right to manufacture said Joggers for M-24 and Multicolor type presses."

Petitioner relies upon claim 2 of the first patent and all of the claims of the second patent as having been infringed by respondent.

Petitioner's case is that the license to the Multigraph Company was restricted by its terms to Models 112 and 1121 joggers (for the manufacture of which petitioner sold the Multigraph Company the necessary drawings, tools, dies and parts); that these two named models differed from each other only in size; and that the license contract, because granting rights only to these two named jogger models, conveyed no immunity for the manufacture and sale of different jogger models of different sizes. For purposes of trial and of appeal, one jogger, Model 873, which had been sold by respondent, was produced before the Court and shown to differ from the original licensed Models 112 and 1121 in the height and length of the frames and the width between the side frames, these differences in size being designed to fit Model 873 to a different sized press than those to which the licensed models were adapted. The functional structure of Model 873 was identical with that of the Models 112 and 1121 which were named in the license contract.

The District Court (Barnes, J.) found that the inventions of the claims relied upon in both patents were embodied in the accused device; that the license contract was clear and unambiguous, granting a license only as to joggers of the sizes of the named models, to-wit, Models 112 and 1121; and that Model 873 differed in size from the licensed models and was, therefore, an infringement (R. 205-214). Accordingly, the usual interlocutory decree was entered awarding petitioner an injunction and accounting of profits and damages (R. 214-5).

On appeal by respondent, the District Court was reversed (R. 449). The Court of Appeals found that the Model 873 was "within the protection of the license grant" (R. 446) and that petitioner had "sold its business" to the licensee (R. 442), although also holding that

the license was limited to "the office equipment field" (R. 443, 445).

As further ground for the decision, the Court of Appeals found that neither patent was infringed by Model 873, although it also stated that "all the joggers are the same" (R. 443) except for size. Thus the Court's views on the non-infringement of Model 873 would be equally pertinent as to Models 112 and 1121 for which a license was expressly purchased for a consideration of $9,250.00 (R. 446-8).

Claim 2 of the first patent was found not infringed because the elements thereof describing the mounting on the frame for the jogger arms are not found *as separate pieces* in any of the commercial models. Instead these elements are cast in one piece integrally with the frame. The Court held that this fact avoided infringement, although on the day before its decision in petitioner's case, the Court had held, in *Sutherland Paper Co.* v. *Auburn Carton Corp.*, 48 U. S. P. Q. 612, that infringement was not avoided by making in two pieces what the patent claim specified as one piece.

Claim 1 of the second patent (and presumably the similar claims 4 and 5) were found not infringed because the commercial models (a) use the much cheaper cam instead of a "shroud" to limit the teeth of the ratchet wheel engaged by the pawl, and (b) two reciprocating arms are used rather than the one called for by the claim.

Claims 2 and 3 of the second patent were found not infringed without any individual consideration and despite the inability of respondent to indicate any element thereof not exactly reproduced in the accused device.

This petition seeks a review of the action of the Court of Appeals in creating a new contract inconsistent with the language of that adopted by the parties, and in violating the rules of patent construction established by this Court and the Courts of Appeals. The present inconsistency in the decisions of the Court of Appeals for the Seventh Circuit in patent cases makes it impossible for the patent practitioner and the public to know the actual state of the law. According to the instant case, infringement is avoided by making in one part what the claim specifies as two. According to the *Sutherland Paper* case, the opposite rule is the law. The Court of Appeals declined on petition for rehearing to resolve the conflict in its own decisions.

Jurisdiction.

1. The jurisdiction of this Court is invoked under Section 240 (a) of the Judicial Code as amended by the Act of February 13, 1925 (28 U. S. C. Sec. 347).

2. The date of the decree which petitioner seeks to review is March 6, 1941 (R. 449).

3. The petition for rehearing, filed March 20, 1941, was denied April 14, 1941 (R. 485).

4. Among cases believed to sustain jurisdiction to issue the writ are:

General Talking Pictures Corp. v. *Western Electric Co.*, 304 U. S. 175;

Altoona Publix Theatres, Inc. v. *American Tri-Ergon Corp.*, 294 U. S. 477.

Questions Presented.

1. Whether the limitation in the license grant to identified jogger models of particular size was not a proper and enforceable restriction on the immunity from suit thereby granted, conveying no right to manufacture, use or sell a jogger differing in size from those named in the license.

2. Whether petitioner must go remediless from a decision by the Court of Appeals predicated upon numerous mistakes of fact (both as to the language of the license contract and as to the facts shown by the testimony), when such mistakes of fact were pointed out in the petition for rehearing wherein the true facts were shown by references to the record, but the Court of Appeals denied rehearing without comment.

3. Whether the Court of Appeals has erred by finding, without discussion, non-infringement of two claims in suit which cover subject matter different from that covered by the claims discussed by the court, when the respondent's device is identical with the representation in the patent drawings of the subject matter covered by the ignored claims.

4. Whether the Court of Appeals did not err, in finding non-infringement of the claims considered by it, by ignoring the pertinent rules of construction established by applicable decisions of this Court, and by adopting the theory that infringement is avoided by making several elements in one piece thus rendering a decision in direct conflict with *Sutherland Paper Co.* v. *Auburn Carton Co.*, 48 U. S. P. Q. 612, decided by the same Court only one day earlier.

Reasons for Granting the Writ.

The discretionary power of this Court to grant a writ of certiorari is invoked upon the following reasons:

1. The Court of Appeals has construed a license to manufacture, use and sell two specified machines embodying the inventions of the patents in suit to be a general license under the patents, limited only to the licensee's "field" of business, in violation of the plain terms of the contract, thus creating a precedent which throws doubt and uncertainty upon the scope of all license agreements restricted on their face to specified models or sizes of the patented device, and raising an important question of general public interest and concern never decided by this Court.

2. The action of the Court of Appeals, in predicating its construction of the license contract upon a mistaken view as to the language of that contract and upon assumptions of fact contrary to the evidence, and in refusing to modify or recede from these mistakes upon petition for rehearing, is a departure from the accepted course of judicial proceedings which calls for the exercise by this Court of its power of supervision to insure the administration of justice in the lower courts.

3. The Court of Appeals, by failing to consider claims 2 and 3 of the second patent in suit, covering only a restricted portion of the disclosed subject matter, which portion is utilized by respondent in the exact form shown in the patent drawings, acted in violation of the rule laid down by its own decision in *Sanitary Dist. of Chicago* v. *Activated Sludge, Inc.*, 90 F. (2d) 727 (C. C. A. 7), and in conflict with the decision of this Court in *Altoona Publix Theatres, Inc.* v. *American Tri-Ergon Corp.*, 294 U. S. 477, 487, to the effect that each claim of a patent

must be considered separately, and, in result, construed claims 2 and 3 of the second patent in suit so narrowly as to hold them not infringed by a device incorporating every element of these claims in the identical form shown in the patent drawings.

4. The decision of the Court of Appeals, finding no infringement of claim 2 of the first patent and claims 1, 4, and 5 of the second patent, is in conflict with decisions of this Court and of Courts of Appeals, including the decision of the Seventh Circuit Court of Appeals in *Sutherland Paper Co.* v. *Auburn Carton Corp.*, rendered within a day of the decision in the instant case.

5. By ignoring the findings of the lower court, including a finding of the credibility of petitioner's only witness, whose testimony conflicted with that of respondent's witnesses in many respects, and by failing to show wherein these findings were "clearly erroneous," the Court of Appeals has failed to comply with Rule 52 (a) of the Federal Rules of Civil Procedure, and has acted in conflict with its own decision in *Webb* v. *Frisch*, 111 F. (2d) 887, 888.

WHEREFORE, it is respectfully submitted that the petition for writ of certiorari to the United States Circuit Court of Appeals for the Seventh Circuit should be granted.

JOGGER MANUFACTURING CORPORATION,
By SIDNEY NEUMAN,
Counsel for Petitioner.